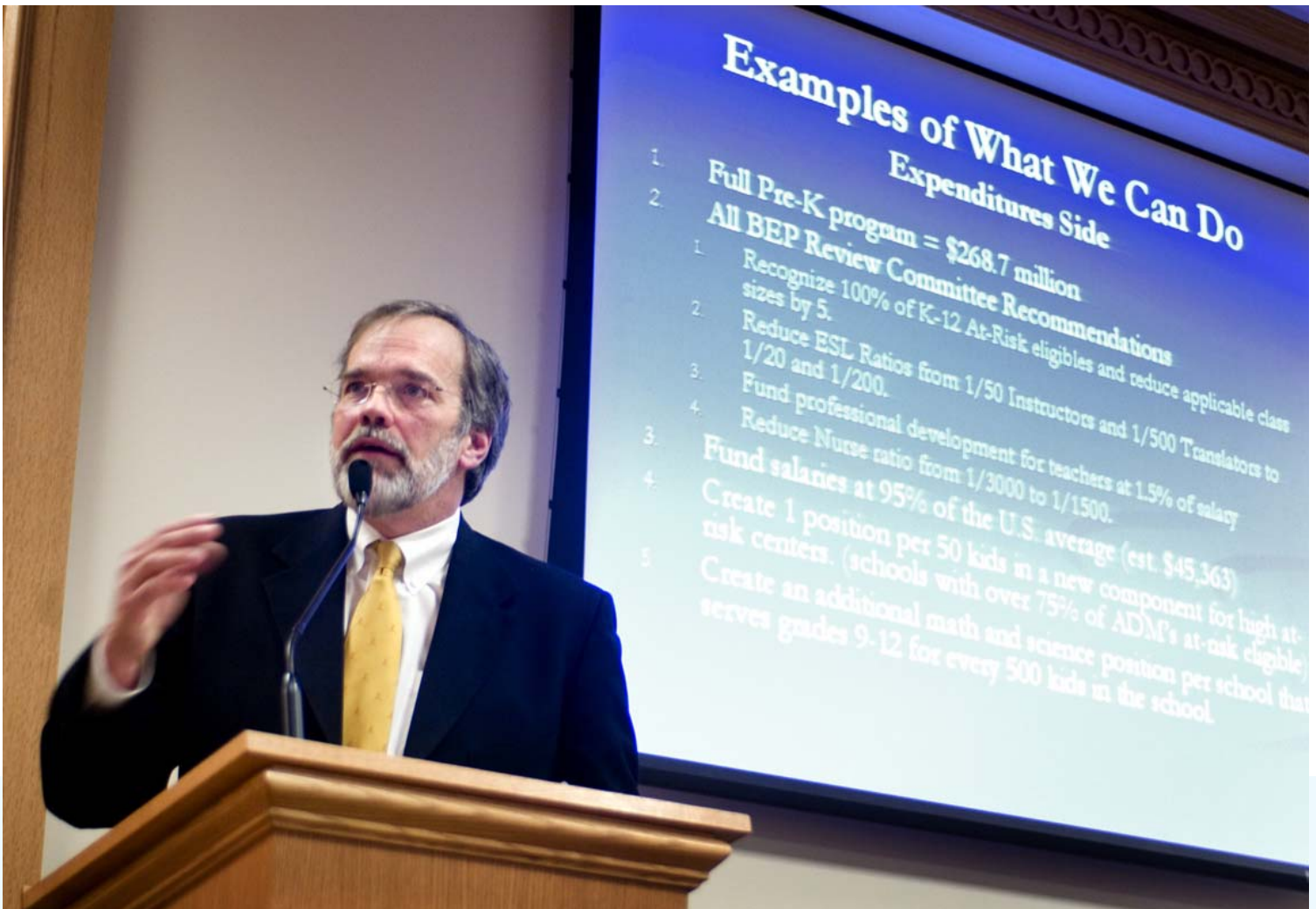


The Research Review

PUBLISHED BY THE RESEARCH DIVISION OF THE TENNESSEE HOUSE OF REPRESENTATIVES

March 2, 2006



Comptroller John Morgan presents *An Alternative Approach to Funding Education in Tennessee* to members of the Finance, Ways and Means Committee this week.

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The two bills on calendar in the Agriculture Committee this week were rolled to later dates.

The first, **HB 2533** (Rep. Swafford), makes artificial insemination on equines, swine or bovine animals a livestock management practice and excludes it from veterinary license requirements. It was rolled one week. The other bill on calendar, **HB 2548** (Rep. Hackworth), prohibiting smoking inside public restaurants, amends the Children's Act for Clean Indoor Air. It was rolled two weeks.

The meeting room was packed with guests, many of whom were veterinarians interested in both the artificial insemination bill and large animal medicine. The committee heard brief presentations from representatives of the American Association of Bovine Practitioners, and the Middle Tennessee Academy of Equine Practitioners.

The committee also heard a presentation from Dr. Michael Blackwell, Dean of the UT College of Veterinary Medicine. Dr. Blackwell told the members that his biggest concern is the lack of this nation's frontline security in the event of agricultural terrorism. Dr. Blackwell referred to a Rand report and said that the effect on the distribution of food would be devastating, with no city having more than a seven-day food supply. As he spoke on the vulnerability of livestock and crops in such an occurrence, he cautioned that

Tennessee must not weaken its defense, as this state carries out some of the best veterinary practices in the world. He also spoke on the national problem of the shortage of veterinary services. Congress passed the National Veterinary Medical Service Act in 2003, creating the veterinary student loan repayment program. The Act sought to create economic incentives to attract new veterinarians, and to place them in areas needing those services. Dr. Blackwell says Congress has now appropriated funds for that account.

Also present at the meeting were visitors from several counties across the state representing the U.S. Smokeless Tobacco Leadership Development Program. They brought to the committee the issues they currently face with the production and cutting of dark fired tobacco – the need for higher wages, transportation, housing, etc. Most of the persons there were from nearby Robertson, Montgomery and Henry Counties.

(Summary by Denise Sims)



Vice Chair Bone and Chairman Davidson listen to guest presenters. (file photo)

CHILDREN AND FAMILY AFFAIRS

Amelia Mitchell

The **Children & Family Affairs Committee** and the **Domestic Relations Subcommittee** did not meet this week.

The **Family Justice Subcommittee** met on Tuesday, February 28th and the following bill was deferred for 2 weeks:

HB 2767 (Hackworth) creates an additional consideration for the courts when determining child support if the non-custodial parent was the victim of rape or statutory rape that resulted in the conception of the child in which the child support is sought.

Full Committee

The **Commerce Committee** met Tuesday to listen to a presentation from representatives of the pyrotechnics industry regarding an upcoming bill to regulate their industry. The committee proceeded outdoors onto Legislative Plaza to a well attended demonstration of professional pyrotechnics. (see photo on page 20)

Small Business

The **Small Business Subcommittee** met Tuesday to consider 2 bills.

Bills Rolled One Week:

HB 2519 (Hackworth) was reconsidered with a proposed amendment that would rewrite the bill. The amendment to the bill would not only ban the sale of any grave plot to more than one person, it would also require registration of property transfers with local registers of deeds offices. It would also require each cemetery company in the state to chart a map plotting all sold sites to be given to the registers of deeds offices no later than July 1, 2007. Mr. Vinnie Faccinto, a funeral home operator and cemetery owner appeared before the committee to convey his industry's opposition to the registration of the sale of each plot. This is particularly difficult since there is a thriving secondhand sales market among mortuary plots, or they may be passed off to family members; this often occurs without the cemetery operator's knowledge. Mr. Faccinto did, however, believe that the requirement of a map of plots of each cemetery could be feasibly done by the state's cemeteries. The committee rolled this bill one week, with the hope that other bills filed on this subject could be considered and rolled together before passing to the full committee.

HB 2976 (Cooper) This bill was rolled one week after hearing from Dr. Alan Tatum, a pharmacist, to register his support for the bill, which would require pharmaceutical companies to disclose their marketing efforts to doctors.

Industrial Impact

Bills Rolled Two Weeks:

HB 0125 (M. Turner)

Bills Rolled Three Weeks:

HB 2788 (McKee)

Utilities and Banking

The **Utilities and Banking Subcommittee** met Wednesday and considered three bills.

Bills Passed to Full Committee:

HB 2585 (Shepard) – would exempt non-profit organizations from the unsolicited fax laws, if the organization is using the faxes to contact members of the organization.

Bills Rolled One Week:



Rep. McKee
(File Photo)

HB 2786 (McKee) – This bill, as written, would include commercial and cellular telephones in the Tennessee Do Not Call list. It was amended to exclude cellular telephones, as they are covered in the federal Do Not Call list, and was rolled one week to allow the oral amendment to be drafted.

Full Committee

The full **Conservation and Environment Committee** did not meet this week.

Environment Subcommittee

The **Environment Subcommittee** met on March 1, 2006, to consider two bills. Both were passed to full committee as follows:

HB 659 (Hawk) - As amended directs TDEC to continuously perform a thorough examination, with recommendations regarding options, of the protection of watersheds and the control sources of pollutions for the future quality of potable drinking water supplies. Findings and recommendations shall be reported annually to the Governor and General Assembly starting February 1, 2007.

HB 2613 (Tidwell) – As amended, replaces provision under which licensed professionals with proof of errors and omissions insurance are exempt from bonding requirements for subsurface sewage disposal systems with exemption for all state licensed professional engineers, registered engineer interns and soil scientists on the department's approved lists.

Parks and Tourism Subcommittee

The **Parks and Tourism Subcommittee** met on February 28, 2006, to consider one bill. Action on **HB 2549** (Hackworth) was deferred two weeks.

Wildlife Subcommittee

The **Wildlife Subcommittee** met on February 28, 2006, to consider one bill. **HB 2549** (Borchert) was passed to full committee. As amended, the bill requires TWRA to authorize any veteran with a 10 percent or more service-connected disability to participate in a TWRA sponsored hunt for three days each archery, muzzleloader and rifle season without requirement of licensure, as long as the veteran is a Tennessee resident, purchases a \$10 lifetime license, and carries on his person a certified letter of disability and photo identification.

The Dept. of Environment & Conservation presents its budget to the Finance Committee.

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CONSUMER & EMPLOYEE AFFAIRS

Lucy Wilson

The Full Committee was scheduled to meet Tuesday, February 28, 2006 at 1:30 PM. Of the four bills on the calendar, **HBs 132** and **0153** (Turner M) were rolled two weeks.

HB 132 (Turner, M.) requires the issuer of a gift certificate to allow a recipient to redeem half of the face value of the gift certificate in cash.

HB 0153 (Turner, M.) requires employers offering deferred compensation plans to their employees to offer no less than three (3) independent options for

investment. After discussion over which companies might be exempt based on size/number of employees, the sponsor reiterated companies that offered deferred compensation plans would be affected.

HB 2578 (West) has been deferred to March 7, 2006. It requires drug-free workplace credits be based on an employer's annual premiums and those credits be given equally over the premium payment schedule. This particularly benefits smaller companies to which a \$200 to \$300 premium is a larger percentage of their operating budget.

CONTINUED ON NEXT PAGE.

HB 2574 (West) has been deferred to March 7, 2006. HB 2574 prohibits the sale of a gift certificate with an expiration date. It also mandates that the gift certificate be redeemable in cash for its full value. No fee, surcharge or additional expense could be imposed for the purchase, redemption or replacement of a gift certificate.

This bill does not apply to gift certificates distributed in an awards, loyalty or promotional program without any money or other thing of value being given in exchange. Nor does it apply to certificates sold below face value.

Consumer Affairs Subcommittee did not meet this week.

Employee Affairs Subcommittee did not meet this week.

EDUCATION

Pam Mason

Full Committee

There were no bills on the Education calendar this week. Wednesday was the University of Tennessee's Day on the Hill and President John Petersen spoke briefly to the committee.

Ms. Judy Appleby representing MAKUS, Michael Appleby Keeping Us Safe, addressed the committee on teenage driver safety programs. She was accompanied by Alan Brown of Georgia and Judge Russell Bean, Chattanooga City Judge. They are interested in a commission being formed to look into the need for driver safety training for high school students. Mr. Brown has formed a similar program in the state of Georgia.

Dr. Brian Noland, THEC Associate Executive Director for Policy, Planning and Research, spoke on the Tennessee Education Lottery Scholarship Program. This report, as required by T.C.A. 49-4-903(b), provides an analysis of select academic and demographic characteristics of the Lottery Program. The report will be available on the THEC web site.

Higher Ed Subcommittee

The Higher Ed Subcommittee meeting was cancelled when the one bill on calendar was deferred one week.

Deferred 1 week:

HB 2619 – (McMillan)



K-12 Vice Chair
Montgomery
and Chairman
Towns

K-12 Subcommittee

The K-12 Subcommittee met on Tuesday to consider its calendar. Subcommittee action follows.

Referred to Full Committee:

HB 1408 – (Baird) enacts the “Tennessee Student Health Act.”

HB 2973 – (Cooper) requires that teacher education curriculum include reading instruction and requires a certification of teacher competence in reading instruction.

Deferred 2 weeks:

HB 2640 – (Hackworth)

Week of February 27th-2006:

The Full Committee

The House Finance, Ways, and Means Committee has not had any bills on its agenda, though the full committee continues to meet reviewing departmental budget hearings. On Tuesday, February 28th, Commissioner Matt Kisber presented the Department of Economic and Community Development's budget request and the committee also heard from Comptroller Morgan in his enlightening presentation entitled, "An Alternative Approach to Funding Education." On Wednesday, March 1st, the Comptroller finished presenting his remarks on Alternative Funding and the committee reviewed the budgets of the Administrative Office of the Courts, the Office of the Post Conviction Defender, the Public Defenders' Office, and the District Attorneys General Conference. The Attorney General's Office budget hearing has been postponed and will be announced at a later date. The full committee is scheduled to hear on Thursday, March 2nd, the Corrections Department, the Board of Probation and Parole, and the Tennessee Corrections Institute.



The hearings continue to be broadcast live through internet video streaming on the General Assembly's website, <http://www.legislature.state.tn.us>.

The Budget Subcommittee

The Budget Subcommittee of the House Finance, Ways, and Means Committee met on Wednesday, March 1, 2006, with four bills on calendar. All bills were deferred, though for various lengths of time. Committee Actions for those four bills are as follows:

1. **HB 320** (Rep. Davidson's kit car/hot rod registration bill) – **Rolled 4 weeks**
2. **HB 456** (Rep. Davidson's motorcycle helmet bill) – **Rolled 4 weeks**
3. **HB 2535** (Rep. Baird's solar and wind power sales and use tax exemption bill) – **Rolled 2 weeks**
4. **HB 2974** (Rep. Cooper's bill linking increases in public higher ed compensation with state employees) – **Rolled 1 week**



GOVERNMENT OPERATIONS

Kristina Ryan

The **Government Operations Committee** met on Wednesday, March 1st to consider four bills on the calendar. **HB 2660** by Representative Bunch and **HB 2621** by Representative McMillan were both rolled for one week and **HB 2522** by Representative Baird was taken off notice.

The committee reviewed and referred **HB 139** by Representative Mike Turner to the State and Local Government Committee. Under this legislation, owners and operators of landfills would be required to use native grasses to cover the landfill once the landfill has been either closed or filled.

The Department of Environment and Conservation would be authorized with rulemaking authority in order to specify which grasses can be used. An amendment placed on the bill would exempt any former landfills that are used for recreational purposes.

There was presentation by committee attorney Fred Standbrook regarding an Attorney General's Opinion stating that the sunset sub-committees of the Joint Government Operations Committee must meet jointly with the Senate. However, the Attorney General opined that rulemaking meetings can be held separately but if the committee wants to negate a rule, then the meeting must be done by both houses of the Government Operations Committee.

Full Committee

The **Health & Human Resources Committee** did not have bills on notice and did not meet this week.

Health Care Facilities Subcommittee

The **Health Care Facilities Subcommittee** did not have bills on notice and did not meet Tuesday afternoon.

Mental Health Subcommittee

The **Mental Health Subcommittee** did not meet Tuesday afternoon after the only bill on calendar, **HB 2972** (Cooper, B.), was withdrawn by the sponsor.

Public Health Subcommittee

The **Public Health Subcommittee** held its first meeting of 2006 on Wednesday, March 1st with three bills on calendar.

HB 2632 (Curtiss) that establishes a task force to analyze the high prescription drug use in Tennessee and make recommendations to reduce such use without impacting the quality of patient care was discussed, including two amendments offered by members of the subcommittee, and subsequently rolled one week for review of the amendments. Rep. Cooper, B. discussed **HB 2970 and HB 2977** (both concerning day care) and then rolled these bills one week.

Professional Occupations Subcommittee

The **Professional Occupations Subcommittee** met Wednesday afternoon, March 1st and referred **HB 2975** (Cooper, B.) to full committee. HB 2975 requires the Board of Medical Examiners to grant an extension to the seven year timeframe to complete the U. S. Medical Licensing Examination to an applicant licensed in good standing in another jurisdiction who was prevented from taking the last exam in a timely manner due to a lack of available testing facilities.

JUDICIARY COMMITTEE

Jamie Wyatt

The Full Judiciary Committee

On Tuesday, the **Full Judiciary Committee** met to discuss eight bills. HB 151 by Rep. Mike Turner, which increases the penalty for the offense of domestic assault from a Class A misdemeanor to a Class E felony, was taken off notice with the hope to be put back on notice when measures are found to reduce its \$4.7 million dollar fiscal note. HB 289 by Rep. Hargett was rolled 4 weeks. HB 1865 by Rep. McMillan was rolled 2 weeks.

The following bills were approved for passage and **referred to Calendar and Rules**:

HR 197 by Rep. Fowlkes contains amendments and revisions to the rules of juvenile procedure adopted by the Supreme Court of Tennessee. Some of the changes include additional language in the rules allowing for discovery by a party to a civil action in juvenile court.



HR 198 by Rep. Fowlkes approves amendments and revisions to the rules of evidence adopted by the Tennessee Supreme Court. The revision consists of a change in the language by substituting interpretation for translation when requiring an interpreter to make a true interpretation while acting as an expert.

HR 199 by Rep. Fowlkes approves amendments and revisions to the rules of criminal procedure adopted by the Tennessee Supreme Court. There are no substantive changes in the law. However, existing law was redrafted to make it easier to read and comprehend the current law.

HR 200 by Rep. Fowlkes approves amendments and revisions to the rules of civil procedure adopted by Tennessee Supreme Court. Some of the changes included adding two affirmative defenses: statute of

repose and worker's compensation immunity; objections to attorney fees in class actions; allows Rule 37 sanctions for any form of evidence tampering.

HR 201 by Rep. Fowlkes approves amendments and revisions to the Tennessee Rules of Appellate Procedure adopted by the Tennessee Supreme Court. Included in the changes is the ability of a party to seek indigent status to proceed on appeal if that party failed to seek leave from the trial court to proceed as an indigent.

Civil Practice & Procedure Subcommittee

On Tuesday, the **Civil Practice & Procedure Subcommittee** met to discuss seven bills. HB 986 by Rep. Mike Turner, which changes some requirements pertaining to lien notification and release, was taken off notice. HB 2526 by Rep. Fowlkes passed to Full Judiciary Committee. As amended, the bill provides immunity to voluntary health care providers including hospitals and community mental health centers participating in the Emergency Management Assistance Compact or Southern Regional Emergency Management Assistance Compact who provide health care to victims or evacuees of a major disaster. The governor may provide limited liability protection to health care providers including hospitals and community mental health centers and those licensed who render services to these victims or evacuees. Protection provided does not apply to acts or omissions resulting from gross negligence or willful misconduct. Also, this protection will not exceed 30 days, but may be extended. HB 2422 by Rep. Fowlkes, as amended, which establishes provisions governing Tennessee preservation trusts, was rolled for 1 week.

Based on the substantial number of bills dealing with **eminent domain**, Chairman Briley will have one Civil Practice and Procedure Subcommittee meeting to hear those bills dealing with eminent domain as its subject matter. The following bills have been rolled to this special calendar: (see below)

HB 2682 by Rep. Campfield
HB 2683 by Rep. Campfield
HB 2679 by Rep. Campfield
HB 2771 by Rep. Bunch

Criminal Practice & Procedure Subcommittee

The **Criminal Practice & Procedure Subcommittee** did not meet on Tuesday. There were two bills to be heard. HB 166 by Rep. Mike Turner was taken off notice. HB 2684 by Rep. Campfield was rolled 1 week. The next Criminal Practice and Procedure Subcommittee meeting will be held on Tuesday at its usual time of 11:30 a.m.

Constitutional Protections Subcommittee

The Constitutional Protections Subcommittee did not meet on Wednesday. There were four bills on the calendar. HB 2625 by Rep. McMillan, HB 2576 by Rep. West, HB 777 by Rep. Clem, and HB 1711 by Rep. Russell Johnson were all rolled 1 week.

Judicial Administration Subcommittee

The Judicial Administration Subcommittee met to consider two bills. HB 1586 by Rep. McMillan, which increases the fee county clerks receive for making and certifying copies of an instrument on original books from \$1.00 to \$2.00, was taken off notice. HB 2652 by Rep. Bunch passed to Full Judiciary Committee. This bill, as amended, authorizes Bradley County forensic labs to assess and receive the same fees currently charged by TBI and other publicly funded forensic labs for conducting drug and alcohol analysis.

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**EMINENT DOMAIN BILLS WILL BE
PLACED ON A SPECIAL CALENDER.**

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STATE & LOCAL GOVERNMENT

Lawrence Hall, Jr.

This week in the **State and Local Government** full committee the committee studied the issue of statewide constable training. The committee heard testimony from the *Tennessee Constables Association* and the *Tennessee Constables Council*. Both organizations, collectively, represent the majority of constables across the state and are responsible for providing the state required training. State and Local Government committee members expressed concerns regarding several issues such as adequate training, appropriate disciplinary actions, law enforcement powers, the powers of counties to establish or abolish the office of constable, the use of blue lights, proper uniforms and vehicles, and liability issues. The committee will continue to study the issue next week and make recommendations for legislation.

The **State Government Subcommittee** considered and passed to full committee **HJR 124 by Rep. McMillan**. This bill will allow the legislature to authorize counties to create a tax program to provide relief to certain elderly homeowners.

Chairman Jones, Rep. Rinks



HB 2569, by Rep. West, will allow department heads to create a four-day work week for full time employees. State offices will have to remain open during regular working hours and each employee has to work a 37.5 hour work week. This bill passed to full committee. **Rep. Tindell** passed **HBs 2592 and 2593** to full committee. These bills are relative to extending the application deadlines for a charitable organization to have an annual fundraising event.

The **Local Government Subcommittee** passed three bills to full committee. **HB 988, by Rep. Mike Turner**, will allow employee organizations to represent employees before civil service commissions. **HB 2614, by Rep. Tidwell**, expands the Tennessee River Resort District Act to include Humphreys, Marion, Perry, Rhea, and Stewart Counties. **HB 2667, by Rep. Fowlkes**, allows the Duck River Development Agency to invest idle funds in the same manner in which a utility district may invest.

Full Committee

The **House Transportation Committee** convened on February 28, 2006, to consider five bills. **HB2615** (Crider) was previously withdrawn on the House floor on February 23. **HB2524** (Fraley), which authorizes issuance of cultural license plates for active service members and veterans of Operation Iraqi Freedom, was deferred until a later date when all specialty license plate bills will be combined into one bill and considered as one piece of legislation.

The following bills were passed by the committee and referred to the House Finance, Ways, and Means Committee:

HB2440 (Swafford) - Provides for erection and maintenance of directional signs for Military Memorial Museum of Cumberland County on I-40 at Exit 317.

HB2456 (Swafford) - Effective July 1, 2006, redesignates Holder of Purple Heart cultural plates, which presently require \$25.00 issuance fee, as memorial plates so as they can be issued free of charge to qualified persons.

HB2509 (Cobb) - "John Redmond Bridge," highway sign on U.S. Highway 41A over Cheatham Creek in City of Eagleville

HB2537 (Fowlkes) - amends Tennessee's "Move Over" law by increasing the penalty for failure to yield right-of-way to emergency vehicles from Class C misdemeanor to Class B misdemeanor, punishable by a fine of no less than \$100 nor more than \$500, or imprisonment not to exceed 30 days, or both.

Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met February 28, 2006, to consider four bills. Action on **HB2562** (Hackworth) was deferred two weeks, whereas action on **HB2903** (Rowland) was deferred one week.

The following bills were referred to the full Transportation Committee:

HB2814 (Moore) – As amended, this bill requires that if a motor vehicle has two drivers, only the driver contributing to the accident shall be cited for a violation of the rules of the road.

HB2969 (Cooper) - Places a \$400 cap on the restoration or reinstatement fees imposed for certain suspensions related to traffic citations.

Public Transportation & Highways Subcommittee

The **Public Transportation & Highways Subcommittee** met on February 28, 2006 to consider six bills. Action on **HJR787** (Tidwell) was deferred for four weeks.

The following bills were passed to the full Transportation Committee:

HB2490 (Borchert) - Creates new military license plate for veterans of Operation Iraqi Freedom and Operation Enduring Freedom; reallocates revenue from sale of all military plates

HJR780 (Johnson, R.) - "278th RCT Memorial Highway," highway signs on State Route 72 in its entirety.

HB2776 (Maggart) - "Bethel Brown Highway," highway signs on a segment of State Route 174 (Long Hollow Pike) in Sumner County -

HB2507 (Harmon) - "James Robert Haston Memorial Bridge," highway signs over Millstone Branch on State Route 285 in Van Buren County

HB2508 (Harmon) - "Laurel Cove Bridge," highway signs on State Route 30 in Van Buren County

Budget Hearings



BUDGET HEARINGS

DEPARTMENT OF AGRICULTURE

Patrick Boggs

On February 22, 2006, Commissioner Ken Givens, joined by several Agriculture Department heads, gave the budget proposal for the Agriculture Department. The department has **658 employees**; their total budget request is **\$77,591,700**, including a request for improvements of **\$3,250,000**.

Their total budget request is as follows:

	Estimated 2005-2006	Base 2006-2007	Improvement 2006-2007	Recommended 2006-2007
Payroll	\$ 33,865,200	\$ 33,823,200	\$ 0	\$ 33,823,200
Operational	\$ 45,075,500	\$ 40,518,500	\$ 3,250,000	\$ 43,768,500
Total	\$ 78,940,700	\$ 74,341,700	\$ 3,250,000	\$ 77,591,700
State	\$ 58,478,800	\$ 54,588,800	\$ 3,250,000	\$ 57,838,800
Federal	\$ 11,351,400	\$ 11,313,500	\$ 0	\$ 11,313,500
Other	\$ 9,110,500	\$ 8,439,400	\$ 0	\$ 8,439,400

The department is organized into four main divisions:

- Administration and Grants –
This division oversees the department and handles payments from several grant funds. Likewise, the division oversees the department's vast soil and water conservation programs. The department is seeking a **\$2,250,000 budgetary increase** for the Agricultural Resources Conservation Fund. This funding comes from restoration of funds cut from the real estate transfer tax in past years.
- Forestry –
This division oversees the forestry programs within the department. The division has responded in the past year to Hurricanes Katrina and Wilma, and to the grass fires in Texas and Oklahoma. There are still departmental firefighters and equipment in Oklahoma with the recurrence of grass fires in that state. One need mentioned by Commissioner Givens was the radio system used by firefighters, which is currently eighteen years old. A budgetary request was not included for these items, as the state is completing a study investigating the interoperability of the

communications equipment used by emergency response personnel, and a request for purchase of new equipment will be forthcoming in future years. Otherwise, there are **no requests for budgetary increases** in this division.

- Regulatory Services –
This division oversees several of the department's objectives. The department is charged with inspecting all retail food establishments within the state, and inspects them with great care, placing special emphasis on cleanliness. They also regulate the scanning devices and the weights and measures to ensure that food purchased is correct as to

the amount claimed.

The division operates a diagnostic lab that investigates animal health, aiming to prevent the spread of disease among animals.

The division operates a farm improvement program and is requesting a **\$1,000,000 enhancement** in this year's budget. As a result of the outbreak of foot and mouth disease, the USDA has begun requiring all animal groups, starting with livestock, to be tagged with a microchip. These microchip tags cost approximately \$10 per tag, and allow animals that have been shipped across state lines to be tracked to their farm of origin. The department was granted \$5,000,000 last year for this program, of which \$2,000,000 was recurring funding and \$3,000,000 was non-recurring funding. The \$1,000,000 enhancement will bring this up to \$3,000,000 in recurring funding. The division uses microchip grants to enhance other aspects of farming, providing grants for other aids to farmers if the farmers will proceed with adoption of the microchip tagging system.

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Agriculture cont.

- **Market Development** – The market development promotes Tennessee agricultural products both at home and abroad. One of the main ways that the department promotes agriculture is through the use of cost-share grants to farmers, producers, and other entities. This division is **not requesting a budgetary increase** this year.

GENERAL SERVICES

Lucy Wilson

The Department of General Services presented its proposed fiscal year 2006-2007 budget to the House Finance, Ways & Means Committee February 15, 2006. The department was represented by Commissioner Gwendolyn Davis, Deputy Commissioner Tommy Chester, Assistant Commissioner Leroy Richmond, and Special Project Director Mike Perry. Commissioner Davis described the mission of the department as the “central provider of goods and services for all the other departments” of state government. There are **no new improvements** in the budget as presented.

The department’s base budget request for fiscal year 2006-2007 is \$95,417,000.

Services	2006-2007 Budget
Administration	\$5,870,000
Property Utilization	1,802,400
Motor Vehicle Management	33,931,000
Property Management	14,053,700
Postal Services	16,781,300
Printing	4,675,300
Purchasing	4,152,500
Records Management	1,342,600
Central Stores	7,886,400
Food Services Program	4,921,800
Department Total	\$95,417,000
Funding Sources	
State	2,169,400
Federal	0
Other	\$93,247,600

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Jeremy L. Elrod

Jim Fyke, the Commissioner of the Tennessee Department of Environment and Conservation, presented the department’s budget to the Finance, Ways, and Means Committee on February 16, 2006. The department works to protect, improve and conserve the state’s natural resources to make them available to all Tennesseans in a variety of ways. The **total recommended budget** for FY 2006-07 is **\$336,563,400** funded by \$171,614,800 in state appropriation, \$71,841,600 in federal funds and \$93,107,000 in other dollars. The department is also recommended for \$6,130,000 in capital improvements and approximately \$9,600,000 in capital maintenance according to Commissioner Fyke.

Commissioner Fyke presented several improvements in the recommended budget. Among these improve-

ments are the elimination of access fees for state parks, the creation of a Youth Conservation Corps to start in Summer 2007, and appropriations into the Tennessee Heritage Conservation Trust Fund, Local Parks Acquisition Fund and State Lands Acquisition Fund. Listed below are the department’s total **recommended improvements** for FY 2006-07, totaling **\$17,307,200**:

(Improvement requests are outlined on the next pg.)

DIVISIONS WITH IMPROVEMENT REQUESTS

Project Areas	Base	Improvement	Recommended
Historical Commission	\$2,107,800	\$268,400	\$2,376,200
Maintenance of Historic Sites	\$185,000	\$100,000	\$285,000
Natural Heritage	\$1,015,500	\$100,000	\$1,115,500
Tennessee State Parks	\$67,891,800	\$964,400	\$68,856,200
Local Parks Acquisition Fund	\$2,624,700	\$2,624,400	\$5,249,100
State Lands Acquisition Fund	\$2,250,000	\$2,250,000	\$4,500,000
Air Pollution Control	\$12,462,300	\$1,000,000	\$13,462,300
Tennessee Heritage Conservation Trust Fund	\$0	\$10,000,000	\$10,000,000

TENNESSEE WILDLIFE RESOURCES AGENCY

Jeremy L. Elrod

Executive Director Gary Myers and Assistant-Director Allen Gebhardt presented the Tennessee Wildlife Resources Agency's budget to the Finance, Ways, and Means Committee on February 16, 2006. The agency's primary responsibility is to preserve and manage all species of wildlife in Tennessee. Some of the agency's specific duties include issuing hunting, fishing, and boating permits, levying excise taxes on hunting equipment, and fining for violations of regulations.

The TWRA is funded through the fees it collects which are paid by hunters, fishermen and boaters and set by the Tennessee Wildlife Commission. This funding effectively renders the TWRA self-funded without state appropriation.

However, Director Myers and Mr. Gebhardt raised the issue of the TWRA's increasing management of non-game species and activities with funds from fees paid by hunters, fishermen and boaters. They suggested a state appropriation may be needed in the near future to match possible federal appropriations to help fund this growing management of non-game species and activities.

The following tables contain an overview of the agency's budget with improvements, the principle of which is a \$4,875,600 appropriation to the Wetlands Acquisition Fund. According to the governor's budget document, the **total recommended budget** for FY 2006-07 is **\$74,421,000** and is as follows:

Area	Base	Improvement	Recommended
Wildlife Resources Agency	\$54,762,100	\$1,232,000	\$55,994,100
Boating Safety	8,503,100	167,900	8,671,000
Wetlands Acquisition Fund	4,480,300	4,875,600	9,355,900
Wetlands Compensation Fund	400,000	0	400,000
Total	68,145,500	6,275,500	74,421,000

According to the TWRA, the agency's funding is reflected as follows:

Funding Area	FY 2005-06	FY 2006-07
State Appropriations	\$ 914,800	\$ 914,800
<u>TWRA Appropriation</u>	43,138,700	37,459,700
Federal Revenue	19,872,100	18,356,300
Current Services	2,515,900	2,273,100
Interdepartmental	6,532,000	5,939,700
Total Funding	72,973,500	64,943,600

DEPARTMENT OF TOURIST DEVELOPEMENT

Amelia Mitchell

The Tennessee Department of Tourist Development presented its budget to the House Finance Ways and Means Committee on Wednesday, February 22. Commissioner Susan Whitaker's major points were:

- Tennessee is one of the leaders among state organizations in the United States' tourism industry.
- Tennessee has an \$11.4-billion-a-year tourism industry that attracted over 43 million overnight and day-trip visitors in 2004.
- Tourism is a major economic factor for a majority of Tennessee's 95 counties.
- Tennessee went from 12th to the 11th most visited state by U.S. domestic travelers in 2004.
- The department's marketing activities promote Tennessee to vacationers in the United States as well as internationally. (Funding for this marketing and advertising campaign is the major request from the Department in this year's budget)

Division	Base	Improvements	Total
Administration & Marketing	\$7,708,600 State: \$7,198,600; Federal: \$0; Other: \$510,000	\$4,750,000	\$12,458,600
Welcome Centers	\$4,986,000 State: \$0; Federal: \$0; Other: \$4,986,000	\$245,200	\$5,231,200
Department Totals	\$12,694,600 State: \$7,198,600; Federal: \$0; Other: \$5,496,000	\$4,995,200	\$17,689,800 State: \$11,948,600; Federal: \$0; Other: \$5,741,200

DEPARTMENT OF THE TREASURY

Julie Travis

The Treasury Department presented its total **fiscal year 2006-07 budget of \$19,818,000, of which \$596,700 are state dollars**. The State Treasurer is charged with the following duties related to the State's financial operations, as he...:

- administers the Tennessee Consolidated Retirement System (TCRS),
- manages the State Pooled Investment Fund and the Local Government Investment Pool,
- oversees the State Employees' Deferred Compensation Program and Flexible Benefits Plan,
- directs the staff of the Claims Administration and Risk Management divisions,

- administers the Baccalaureate Education System Trust (BEST),
- oversees the Claims Commission,
- administers the Small and Minority Business Assistance Program, and
- administers an annual educational incentive payment program for certain county officials who complete the advanced level of a three-level certificate training program (Certified Public Administrators).

This is the first budget in several years that the Treasury has requested improvements. In the past, the department has withdrawn its much-needed improvement requests due to tough financial constraints on the state budget. **The department's improvements total \$944,600**, of which \$442,400 are funded by state monies and \$502,200 are considered to come from 'other' sources. The Governor recommended all of the department's

much-needed improvement requests for this FY06-07 budgetary year. The following is a synopsis of Treasury's requests for improvement:

- **County Certified Public Administrators** – This is a “pass through” item, providing full funding of the continuing education incentive payment program for county officers who obtain the designation of “Certified Public Administrator.” As set forth in the Code, the program provides for incentive pay of up to \$1,500 to those county officers completing advanced training and continuing education through the UT Institute for Public Service's Center for Government Training. In the recent past, the State has only been able to afford to pay a stipend of \$180 to those officials completing the certification. The requested amount to cover this item is **\$442,400** (state monies only).
- **Tennessee Consolidated Retirement System** – This item provides for three positions for the Tennessee Consolidated Retirement System (TCRS) accounting and portfolio management. These positions are necessary to manage small-cap equity assets and for credit analysis and actuarial support, at a total cost of **\$154,300** (other funds).
- **Fiscal Services** – This item provides funding for two accounting positions in administrative services and unclaimed property, at a cost of **\$70,000** (other funds).
- **Flexible Benefits** – This improvement item provides for one additional position in the promotion of the State's flexible benefits program and increasing participation rates. The position will be needed in ensuring timely claims processing and customer service. The increased FICA savings generated from improved participation will cover these additional costs. The request is for **\$139,200** (other funds).
- **Information Systems** – This item provides funding for two additional positions to assist with the operation and analysis of the department's various information systems, totaling **\$138,700** (other funds).

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Julie Travis

Commissioner Matt Kisber presented the Department's budget to the Committee on Wednesday, March 1, 2006. The Department's **total budget request** for fiscal year 2006-07 is **\$96,274,200, of which \$51,533,400 is state appropriations**; \$33,107,100 is federal dollars; and \$11,633,700 is other dollars. The Department has **improvement requests** included in the Governor's proposed budget **totaling \$21,000,000**. The improvements fall into four categories: investing in jobs packages, relocating the Nissan Headquarters, recognizing a federal funds loss in business diversity, and providing for an increase in Delta Regional Authority membership dues. A supplemental improvement request has been made for DENSO's large expansion in Blount County; the dollar figures listed above do not take into account that particular improvement item's supplemental appropriation request.

The following is a break-down of the improvement requests as listed in the Budget Document:

- **Jobs Package:** This item continues the state's investment in creating new opportunities for Tennessee's workforce in the new 21st century economy and supports the growth and retention of the state's base of traditional jobs by providing additional non-recurring funds.
 - FastTrack Infrastructure Development Program: \$14 million (one-time monies for job training and infrastructure projects)
 - Community Development initiatives: \$700,000 (one-time monies for continuing the Tennessee Leadership Center (TLC), assisting rural communities in acquiring professional assistance for economic development and for addressing other needs in small communities)
 - Three Star Community Grants: \$84,600 (recurring funding, listed under the Community Development allotment code)
- **Nissan Headquarters:** This item provides non-recurring funds to support the relocation of the Nissan headquarters to Tennessee: \$6 million (one-time monies, listed under the FastTrack Infrastructure Development Program allotment code)

- **Business Diversity – Federal Funds Loss:** This item maintains the current level of services (technical, financial, and management assistance) provided to small, rural, minority and women-owned businesses through the Business Services Division. These state-appropriated dollars will replace the loss of federal funds through the Federal Manufacturing Extension Program and provides the cost of one additional position, which has been previously funded by federal monies, but now will have to be funded by the state: \$185,600
- **Delta Regional Authority Dues:** This item provides funding for the increase in membership dues to the Delta Regional Authority, which provides transportation and infrastructure improvements in distressed counties and parishes in eight delta region states. This amount covers twenty-one West Tennessee counties' dues, in order to maintain eligibility for the application of such grants. The State must pay these assessed dues, which totals \$29,800 (listed under the Regional Grants Management allotment code).

The mission of the Department is to foster higher-paying, better-skilled jobs for all Tennesseans by recruiting new industries and helping existing industries grow. To accomplish this end, the Department's 'key components' include building on the Jobs Cabinet approach, maintaining a competitive 'toolbox,' recruiting 21st Century jobs, and expanding Tennessee's global reach. The Department has attracted heavily-invested companies with innovative tax credits, marking major success by luring well-respected companies to Tennessee. The Department continues to develop business opportunities in overseas markets; Tennessee has been ranked as being the 3rd fastest growing state in the nation in exportation to other countries. Tennessee has had a 23% increase in federal research dollars due to ECD's emphasis in technology development, being the first to graduate from EPSCoR. The Commissioner also spoke of departmental success in community development and business services, highlighting the State's Three-Star Program, the Tennessee Leadership Center, the FastTrack program, and the Business Enterprise Resource Office (BERO).

The Department's successful efforts have been rewarded through Tennessee receiving numerous awards and acclamations: Tennessee has been ranked as having the 5th top business climate, as having the 6th lowest tax burden in the Milken Institute's Cost of Doing

Business Index. *Expansion Management* magazine ranked Tennessee as being #1 in Debt Management. It also ranked our three largest cities, Nashville, Memphis, and Knoxville, as being within the top ten hottest cities for expansion or relocation in the nation and also included Jackson in its top fifty. The Commissioner concluded his presentation illustrating the department's record of results. Since 2003, the department has created over 85,000 job opportunities and has brought \$10.5 billion in new capital investment into this state. They have created 2,653 separate job creation projects, and have had over 27,000 community leaders throughout Tennessee to be involved in the Three-Star program and over 90,000 Tennessee workers trained by the Department and the Department of Labor and Workforce's joint programs. Over \$47 billion in Tennessee products have been exported to foreign markets.



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PHOTO:

Sponsors of an upcoming bill on pyrotechnics regulations join in a demonstration of fireworks on the Legislative Plaza this past Tuesday.

